GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3158
ANSWERED ON:20.03.2008
REDUCTION IN PRICES OF LIFE SAVING DRUGS
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether many of the drug manufacturing companies have not reduced the prices of life saving drugs;

(b) if so, the details thereof along with the action taken by the Union Government thereon;

(c) whether the Union Government has issued any instructions to the State Governments to ensure compliance the drug manufacturers in the respective States in this regard;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARTLIAMENTARY AFFIRS(SHRI B.K. HANDIQUE)

(a) to (e) : The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed / revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95.Such prices are applicable to manufacturers concerned throughout the country unless otherwise exempted under the provisions of DPCO 95.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production,marketing/selling expenses,R&D expenses, trade commission, market competition, product innovation, product quality etc.The Government takes corrective measures where the public interest is found to be adversely affected.

The Drugs (Prices Control) Order, 1995 does not distinguish between life saving and other drugs. There are no specific norms or guidelines to determine as to which drug can be classified as life saving drugs.Every drug in general is considered useful in saving and prolonging of life.

As a result of Government's efforts, Pharmaceutical industry had voluntarily agreed to reduce prices of 886 formulations. However, the availability of these formulations at reduced prices varies from State to State. The Government has taken up the matter with the companies concerned to improve availability of the 886 medicines at reduced prices.

F. No. 1/11/2008-PI.I
GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF CHEMICALS AND PETROCHEMICALS
(PI-1 Desk)

Subject: Lok Sabha USQ. No. 3158 for answer on 20.3.2008 regarding REDUCTION IN PRICES OF LIFE SAVING DRUGS

This relates to Lok Sabha USQ. No. 3058 for answer on 20.3.2008 regarding REDUCTION IN PRICES OF LIFE SAVING DRUGS asked by SHRI S.K. KHARVENTHAN.The question seeks information as to whether whether many of the drug manufacturing companies have not reduced the prices of life saving drugs, if so, the details thereof along with the action taken by the Union Government thereon, whether the Union Government has issued any instructions to the State Governments to ensure compliance the drug manufacturers in the respective States in this regard, if so, the details thereof; and if not, the reasons therefore.

In this context it is stated that The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed / revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95. Such prices are applicable to manufacturers concerned throughout the country unless otherwise exempted under the provisions of DPCO 95.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality

etc.The Government takes corrective measures where the public interest is found to be adversely affected.The Drugs (Prices Control) Order,1995 does not distinguish between life saving and other drugs.There are no specific norms or guidelines to determine as to which drug can be classified as life saving drugs.Every drug in general is considered useful in saving and prolonging of life.

In this context it is also stated that As a result of Government's efforts,Pharmaceutical industry had voluntarily agreed to reduce prices of 886 formulations.However, the availability of these formulations at reduced prices varies from State to State.The Government has taken up the matter with the companies concerned to improve availability of the 886 medicines at reduced prices.

Information received from the NPPA is placed at pages 2-3/c. Copy of Parliament Question answered earlier on similar subject is placed at pages 4-5/c. Based on available information a draft reply to parts (a) to (e) of the question has been attempted and submitted for kind consideration/approval of Hon'ble Minister of State (C&F&PA).

(J.S. SIDHU)
UNDER SECRETARY (PI)
17-3-2008
DEPUTY SECRETARY (PI)